



Phone : 040 - 23220352  
email : avr242@gmail.com

# A.V. Ratnam & Co.,

## CHARTERED ACCOUNTANTS

180/2 RT, Upstairs, Opp.Vijayanagar Colony Park-2, Vijayanagar Colony, HYDERABAD - 500 057.

Ref: \_\_\_\_\_

Date: 11/08/2017

### AUDIT REPORT

TO  
The Project Director,  
Andhra Pradesh State AIDS Control Society,  
Gollapudi, Vijayawada.

We have audited the accompanying financial statements of National AIDS Control project- **TI-POOL FUND A/C**, as of March 31, 2017. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examination, on a test check basis, evidence supporting the amounts, review of internal controls and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial basis for our opinion.

In our opinion, the financial statements, read with observations, if any, give a true and fair view of the sources and Applications of Funds and the financial position of "**ANDHRA PRADESH STATE AIDS CONTROL SOCIETY**" for the year ended March 31, 2017 in accordance with consistently applied accounting standards.

We submit that

- With respect to IFRS, adequate supporting documentation has been maintained to support the IFRS.
- the expenditure incurred comply with financial norms under the credit/grant agreement.
- Procurement of goods and services has been carried out as per the procurement manual issued by NACO, GOL and NGO/CBO guidelines.

G.K. BABU  
Partner

(M.No.213273)

Place: Hyderabad

Date: 11/08/2017

[on camp to vijayawada]

**A.V.RATNAM & CO.**  
CHARTERED ACCOUNTANTS  
# 180/2, RT. R.R.SADAN  
Vijayanagar Colony, HYDERABAD-57

To  
The Project Director,  
Andhra Pradesh State AIDS Control Society,  
Gollapudi, Vijayawada.

Sir,

Sub: Management Letter for the year 2016-17-Reg.

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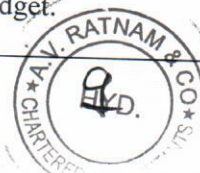
In continuation to our audit report, we are furnishing the "Management Letter" as follows:

The audit was carried out in accordance with relevant accounting standards/practices and / or World Bank guidelines and basing on such tests and controls as we consider necessary under the circumstances. There are no material differences from internationally accepted accounting standards, where relevant.

In our opinion proper books of accounts as required by law, necessary supporting documents, records have been kept in respect of all project ventures.

During our audit, we observed the following deficiencies in systems and controls for which we make the necessary recommendations for their improvement.

Sl.No	Particulars	Observations and Recommendations
(a)	Give comments and observations, if any on the accounting records, systems and controls that were examined during the course of the audit	<p><b>(I) Observation:</b> Huge amount of Outstanding Advances against NGO'S.</p> <p><b>Recommendation:</b> Follow up show be done to clear Advances.</p> <p><b>(II) Observation:</b> Expenditure of NGO'S for the FY 2016-17 was not completely entered in the year as CPFMS was closed.</p> <p><b>Recommendation:</b> Entries should be passed in CPFMS on regular basis and SOE's submit regularly.</p> <p><b>(III) Observation:</b> Amounts held with closed NGO'S.</p> <p><b>Recommendation:</b> Advance should be settled either by recovering Unspent Amount (or) SOE's to be taken.</p> <p><b>IV) Observation:</b> Expenditure of NGO'S was booked in one head only.</p> <p><b>Recommendation:</b> Expenditure amount should be bifurcated to all heads of expenditure as per Budget.</p>



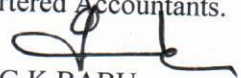


(b)	Identify specific deficiencies and areas of weakness (if any) in systems and internal controls and make recommendations for their improvement including adequacy of controls over peripheral units and NGOs; where a sample of peripheral units are covered by the auditor, the observations, if any, on such units should be listed in an annexure.	<b>Observation:</b> Periodical submission of SOE's by peripheral units was lacking.  <b>Recommendation:</b> It is recommended to release further grants on duly submission of SOE's for previous advances.
(c)	Comment on the adequacy of segregation of duties in the SACS.	<b>Observation :</b> NIL <b>Recommendation :</b> NIL
(d)	Report on the degree of compliance with the financial /internal control procedures as documented in the financial manual of the project & NGO/CBO guidelines.	<b>Observation:</b> By and large, the APSACS is following the internal control procedures as per the financial manual of the project. <b>Recommendation:</b> NIL
(e)	Report any procurement which has not been carried out as per the procurement manual issued by NACO	<b>Observation:</b> As far as our verification is concerned, the society has followed the procurement procedure laid down in the procurement manual.  <b>Recommendation:</b> NIL
(f)	Communicate matters that have come to attention during the audit which might have a significant impact on the implementation of the society; and	<b>Observation:</b> NIL  <b>Recommendation:</b> NIL
(g)	Bring to attention any other matter that the auditor considers pertinent	<b>Observation:</b> TDS entry was wrongly passed. <b>Recommendation:-</b> Rectification entry should be passed in next year.

The society is maintaining separate set of books for each counterpart funds namely pool fund, GFATM Rounds , UNICEF, State Blood Transfusion Council etc., and such funds are being used in accordance with the relevant financing agreements, and only for the purposes for which they were granted.

It is also observed that the goods and services financed have been procured in accordance with the procedure laid down in the procurement manual.

For  
A.V RATNAM & Co  
Firm Regn. No: 003028S  
Chartered Accountants.

  
G.K.BABU

Partner  
(M.No.213273)

Place: Hyderabad

Date: 11/08/2017

A.V.RATNAM & CO.  
CHARTERED ACCOUNTANTS  
# 180/2, RT. R.R.SADAN  
Vijayanagar Colony, HYDERABAD-50

# AP SACS Unit - TI POOL FUND

, Hyderabad -

National AIDS Control Project - Phase III

## Utilisation Certificate

Certified that an amount of Rs.146,467,000.00 received as grants-in-aid received from Department of AIDS Control (NACO) during the Fin.Year 2016-17 vide letter No. given below and opening Cash/Bank Balance Rs. 43,984,628.00 (and Current Liabilities of Rs.0.00)and outstanding Advances for Rs. 12,041,487.00 on account of unspent balance brought forward from the previous financial year, and Bank Interest and Miscellaneous Receipts of Rs. 1,006,217.00. a sum of Rs. 91,814,594.50 has been utilized for the purpose for which it was sanctioned and the Cash/Bank balance of Rs. 10,878,940.14 (and Current Liabilities of Rs. -13,530.00 )and outstanding advances of Rs.101,180,735.00. remaining unutilized at the end of the year will be adjusted towards the grants-in-aid payable during the next year . **Received Fund Rs. 388,467.64**

Sl. No.	Sanction letter Number and Date	Amount
	LIST ENCLOSED	
	Total	146,467,000.00

2. Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

### Kinds of checks exercised

1. Statement of Expenditures
2. Annual Financial Statements

Countersigned

(Chartered Accountant)

Joint Director (Fin.)  
A.P. State Aids Control Society  
Koti, Hyderabad-95.

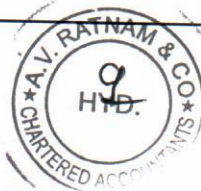
Project Director  
A.P. State AIDS Control Society  
Koti, Hyderabad-95

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A.V.RATNAM & CO.  
CHARTERED ACCOUNTANTS  
# 180/2, RT. R.R.SADAN  
Vijayanagar Colony, HYDERABAD-57



Opening balance of Net Current Assets	Amount (Rs.)
Cheque in Transit	42,868,600.00
TIPF-Bank	1,116,028.00
Advance to NGOs	12,041,487.00
	<u>56,026,115.00</u>
Sources of funds	Amount (Rs.)
Grant from NACO to SACS	146,467,000.00
Recovery/Deduction of Grants	388,467.64
	<u>146,855,467.64</u>
Utilisation of funds	Amount (Rs.)
IEC	109,451.00
Training	1,980,142.00
Salary	89,061,728.00
Travelling Expenses	662,986.00
Bank Charges	287.50
	<u>91,814,594.50</u>
Bank Interest & Miscellaneous Receipts	Amount (Rs.)
Other Receipts	-38,709.00
Interest from Bank	1,044,926.00
	<u>1,006,217.00</u>
Current Liabilities	Amount (Rs.)
TDS (Others)	-13,530.00
	<u>-13,530.00</u>
Closing balance of Net Current Assets	Amount (Rs.)
TIPF-Bank	10,878,940.14
Advance to NGOs	98,255,535.00
Advance to DAPCU	2,925,200.00
	<u>112,059,675.14</u>



Hyderabad -

National AIDS Control Project - Phase III


## Balance Sheet


For The Period From : 01-Apr-2016 To :31-Mar-2017

Figures for the previous Period (Rs.)	LIABILITIES	Schedule Reference	Figures for the current Period (Rs.)	ASSETS	Schedule Reference	Figures for the current Period (Rs.)
56,026,115.00	GENERAL FUND	01	112,073,205.14	CURRENT ASSETS, LOANS AND ADVANCES		
	CURRENT LIABILITIES AND PROVISIONS		43,984,628.00	CURRENT ASSETS	0301	10,878,940.14
0.00	CURRENT LIABILITIES	0501	-13,530.00	LOANS AND ADVANCES	0401	101,180,735.00
<u>56,026,115.00</u>			<u>112,059,675.14</u>			<u>112,059,675.14</u>

  
Auditor

**A.V.RATNAM & CO.**  
CHARTERED ACCOUNTANTS  
# 180/2, RT. R.R.SADAN  
Vijayanagar Colony, HYDERABAD-57

  
Joint Director (Fin.)  
A.P. State Aids Control Society  
Koti, Hyderabad-95.

  
Project Director  
A.P. State AIDS Control Society  
Koti, Hyderabad-95



## General Fund

## Schedule 01

Figures in Rupees

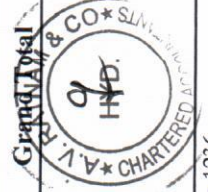
Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
Opening grant in aid	56,026,115.00	0.00
<b>Add: Received during the year</b>		
Grant from NACO to SACS	146,467,000.00	129,368,259.00
Recovery/Deduction of Grants	388,467.64	6,466,100.00
<b>Less: Utilised during the year</b>		
Grants utilised to the extent of revenue expenditure	(90,808,377.50)	66,876,044.00
<b>Closing grant in aid</b>	<b>112,073,205.14</b>	<b>56,026,115.00</b>

## Fixed Asset

## Schedule 02

Figures in Rupees

Particulars	Opening Balance	Addition	Deletion	Closing Balance
<b>Grand Total</b>				



**Funds from Other Sources**

**Schedule 03**

Figures in Rupees

Particulars	Opening Balance	Grant Recieved	Grant Utilised/ Refunded	Closing Balance
<b>Grand Total</b>				





# CURRENT ASSETS

## Schedule 0301

Figures in Rupees

Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
Cheque in Transit	0.00	42,868,600.00
TIPF-Bank	10,878,940.14	1,116,028.00
<b>Total</b>	<b>10,878,940.14</b>	<b>43,984,628.00</b>

# LOANS AND ADVANCES

## Schedule 0401

Figures in Rupees

Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
Advance to NGOs	98,255,535.00	12,041,487.00
Advance to DAPCU	2,925,200.00	0.00
<b>Total</b>	<b>101,180,735.00</b>	<b>12,041,487.00</b>

# CURRENT LIABILITIES

## Schedule 0501

Figures in Rupees

Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
TDS (Others)	-13,530.00	0.00
<b>Total</b>	<b>-13,530.00</b>	<b>0.00</b>



# Income And Expenditure Account

For The Period From : 01-Apr-2016 To :31-Mar-2017

Figures for the previous Period (Rs.)	EXPENDITURE	Schedule Reference	Figures for the current Period (Rs.)	Figures for the previous Period (Rs.)	INCOME	Schedule Reference	Figures for the current Period (Rs.)
0.00	IEC		109,451.00	19,244.00	Other Income	28	1,006,217.00
0.00	Training and Workshops	08	1,980,142.00	66,876,044.00	Grants utilised to the extent of revenue expenditure		90,808,377.50
2,286,289.00	NGO Services	11	0.00				
64,608,725.00	Salary (Pay and Allowances)	13	89,061,728.00				
274.00	Operational Expenses	15	663,273.50				
<u>66,895,288.00</u>			<u>91,814,594.50</u>	<u>66,895,288.00</u>			<u>91,814,594.50</u>

*gd*

**A.V.RATNAM & CO.**  
CHARTERED ACCOUNTANTS  
# 180/2, RT. R.R.SADAN  
Vijayanagar Colony, HYDERABAD-57

*[Signature]*  
Joint Director (Fin.)  
A.P. State Aids Control Society  
Koti, Hyderabad-95.

*[Signature]*  
Project Director  
A.P. State AIDS Control Society  
Koti, Hyderabad-95



Other Income

Schedule 28

Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
Other Receipts	-38,709.00	0.00
Interest from Bank	1,044,926.00	19,244.00
<b>Total</b>	<b>1,006,217.00</b>	<b>19,244.00</b>

Training and Workshops

Schedule 08

Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
Training	1,980,142.00	0.00
<b>Total</b>	<b>1,980,142.00</b>	<b>0.00</b>

NGO Services

Schedule 11

Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
NGO Services for Priority Interventions	0.00	2,286,289.00
<b>Total</b>	<b>0.00</b>	<b>2,286,289.00</b>

Salary (Pay and Allowances)

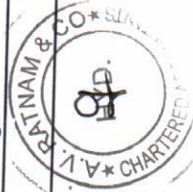
Schedule 13

Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
Salary	89,061,728.00	64,608,725.00
<b>Total</b>	<b>89,061,728.00</b>	<b>64,608,725.00</b>

Operational Expenses

Schedule 15

Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)
Travelling Expenses	662,986.00	0.00
Bank Charges	287.50	274.00
<b>Total</b>	<b>663,273.50</b>	<b>274.00</b>





# AP SACS Unit - TI POOL FUND

, Hyderabad -

National AIDS Control Project - Phase III

## Receipt And Payment Account

For The Period From : 01-Apr-2016 To :31-Aug-2017

Figures for the previous Period (Rs.)	RECEIPTS	Schedule Reference	Figures for the current Period (Rs.)	Figures for the previous Period (Rs.)	PAYMENTS	Schedule Reference	Figures for the current Period (Rs.)
0.00	Opening Balance:			0.00	LOANS AND ADVANCES	17	196,847,497.41
	Balance with Bank		43,984,628.00		GENERAL FUND	13	0.00
129,368,259.00	GENERAL FUND	30	207,708,467.64	6,466,100.00	CURRENT LIABILITIES	32	13,530.00
19,244.00	Other Income	29	1,044,926.00	0.00	Training and Workshops	20	1,980,142.00
129,387,503.00		56	252,738,021.64	0.00	NGO Services	23	0.00
				78,432,201.00	Salary (Pay and Allowances)	25	0.00
				504,300.00	Operational Expenses	27	663,273.50
				274.00	Closing Balance:		
				43,984,628.00	Balance with Bank	31	53,233,578.73
				129,387,503.00			252,738,021.64

*A.V. RATNAM & CO.*  
CHARTERED ACCOUNTANTS  
19, RT. R.R. SADAN  
Vengal Rao Colony, HYDERABAD-57

*Joint Director (Fin.)*  
A.P. State Aids Control Society  
Koti, Hyderabad-95.

*Project Director*  
A.P. State AIDS Control Society  
Koti, Hyderabad-95

## GENERAL FUND

## Schedule 29

Particulars	As at 31-Aug-17 (Rs.)	As at 31-Mar-16 (Rs.)
Grant from NACO to SACS	207,320,000.00	129,368,259.00
Recovery/Deduction of Grants	388,467.64	0.00
<b>Total</b>	<b>207,708,467.64</b>	<b>129,368,259.00</b>

## Balance with Bank

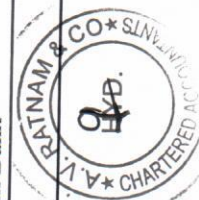
## Schedule 30

Particulars	As at 31-Aug-16 (Rs.)	As at 31-Aug-15 (Rs.)
Cheque in Transit	42,868,600.00	0.00
TIPF-Bank	1,116,028.00	0.00
<b>Total</b>	<b>43,984,628.00</b>	<b>0.00</b>

## Other Income

## Schedule 56

Particulars	As at 31-Aug-17 (Rs.)	As at 31-Mar-16 (Rs.)
Interest from Bank	1,044,926.00	19,244.00
<b>Total</b>	<b>1,044,926.00</b>	<b>19,244.00</b>





# LOANS AND ADVANCES

Schedule 17

Particulars	As at 31-Aug-17 (Rs.)	As at 31-Mar-16 (Rs.)
Advance to NGOs	193,774,137.41	0.00
Advance to Staff	148,160.00	0.00
Advance to DAPCU	2,925,200.00	0.00
<b>Total</b>	<b>196,847,497.41</b>	<b>0.00</b>

# GENERAL FUND

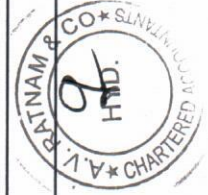
Schedule 13

Particulars	As at 31-Aug-17 (Rs.)	As at 31-Mar-16 (Rs.)
Recovery/Deduction of Grants	0.00	6,466,100.00
<b>Total</b>	<b>0.00</b>	<b>6,466,100.00</b>

# CURRENT LIABILITIES

Schedule 32

Particulars	As at 31-Aug-17 (Rs.)	As at 31-Mar-16 (Rs.)
TDS (Others)	13,530.00	0.00
<b>Total</b>	<b>13,530.00</b>	<b>0.00</b>



# Training and Workshops

## Schedule 20

Particulars	As at 31-Aug-17 (Rs.)	As at 31-Mar-16 (Rs.)
Training	1,980,142.00	0.00
<b>Total</b>	<b>1,980,142.00</b>	<b>0.00</b>

# NGO Services

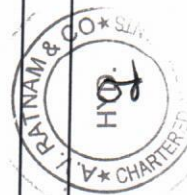
## Schedule 23

Particulars	As at 31-Aug-17 (Rs.)	As at 31-Mar-16 (Rs.)
NGO Services for Priority Interventions	0.00	78,432,201.00
<b>Total</b>	<b>0.00</b>	<b>78,432,201.00</b>

# Salary (Pay and Allowances)

## Schedule 25

Particulars	As at 31-Aug-17 (Rs.)	As at 31-Mar-16 (Rs.)
Salary	0.00	504,300.00
<b>Total</b>	<b>0.00</b>	<b>504,300.00</b>





# Operational Expenses

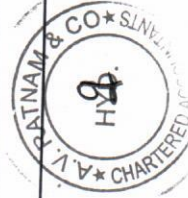
## Schedule 27

Particulars	As at 31-Aug-17 (Rs.)	As at 31-Mar-16 (Rs.)
Travelling Expenses	662,986.00	0.00
Bank Charges	287.50	274.00
<b>Total</b>	<b>663,273.50</b>	<b>274.00</b>

# Balance with Bank

## Schedule 31

Particulars	As at 31-Aug-17 (Rs.)	As at 31-Mar-16 (Rs.)
Cheque in Transit	0.00	42,868,600.00
TIPF-Bank	53,233,578.73	1,116,028.00
<b>Total</b>	<b>53,233,578.73</b>	<b>43,984,628.00</b>



## GRANTS RECEIVED

Date	Particulars	Amount
30/5/2016	Funds Rceived From CHFW	38,116,000.00
21/6/2016	Funds Rceived From CHFW	38,116,000.00
01-03-17	Funds Rceived From CHFW	38,116,000.00
01-03-17	Funds Rceived From CHFW	32,119,000.00
03-04-17	Funds Rceived From CHFW	4,909,000.00
Total		151,376,000.00

**Note:-**

Grant received on 03/04/2017 for Rs.49,09,000/- was considered for the year 2016-17 as directed by the NACD and as per CPFMS Utilisation Report this was considered for the year 2017-18.



A.V.RATNAM & CO.  
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# 180/2, RT. R.R.SADAN  
Vijayanagar Colony, HYDERABAD-57



# **Bank Reconciliation Statement**

## **TI POOL FUND**

**Balance as per Bank Statement** **14,821,684.64**

### **ADD**

LWS Expenditure spent from TI-POOL Fund		
A/c but expenditure booked in LWS in CPFMS	12,371,551.00	
Entry posted excess in CPFMS	46,100.00	
Grant received after 31/03/2017	4,909,000.00	<u>17,326,651.00</u>

### **LESS**

Transfer entry Booked in CPFMS to LWS		
but not Transfeed in Bank Account	16,278,000.00	
Payment booked But done after 31-03-2017	79,230.00	
Entry not considered in CPFMS	3,158.00	<u>16,360,388.00</u>

**Balance as per Cash Book** **15,787,947.64**



**A.V.RATNAM & CO.**  
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Vijayanagar Colony, HYDERABAD-57